

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

H286
H9822
[REDACTED]

A Summary of Current Program 10/31/62
and Preliminary Report of Progress
for 1/1/61 to 10/31/62

REGIONAL ANALYSIS DIVISION

of the

ECONOMIC RESEARCH SERVICE

UNITED STATES DEPARTMENT OF AGRICULTURE

U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL LIBRARY
OCT 14 1964
C & R-PREP.

This progress report of U.S.D.A. research is primarily a tool for use of scientists and administrators in program coordination, development and evaluation; and for use of advisory committees in program review and development of recommendations for future research programs.

The summaries of research progress include a brief description of the work performed by foreign research institutions under direction of the Division with Section 104(a) of Title I, P.L. 480 funds, and contractual work performed for the Division by Land-Grant Universities and other institutions or persons. No details on progress of State station or industry research are included except as such work is cooperative with U.S.D.A.

The summaries of progress on U.S.D.A. and research-contractor activities include some tentative results that cannot be confirmed until the research has further progressed. Such findings, when adequately confirmed will be released promptly through established channels. Because of this, the report is not intended for publication and should not be referred to in literature citations. Copies are distributed only to members of Department staff, advisory committee members and others having a special interest in the development of public agricultural research programs.

This report also includes a list of publications reporting results of U.S.D.A. and cooperative research issued between January 1, 1961 and October 31, 1962. Current agricultural findings are also published in the monthly U.S.D.A. publications Agricultural Economics Research, The Farm Index and Foreign Agriculture. This progress report was compiled in the Regional Analysis Division, Economic Research Service, U. S. Department of Agriculture, Washington 25, D. C.

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C.
November 1, 1962

11

TABLE OF CONTENTS

	Page
Introduction	ii
Area No. 1 Long-Range Outlook for U.S. Farm Exports	1
Area No. 2 Foreign Competition and Demand by Country and Region	9
Area No. 3 Quantitative Evaluation of Foreign Production, Utilization and Trade in Farm Products	21

INTRODUCTION

The Regional Analysis Division is one of two research divisions of the Economic Research Service which works in the foreign field. Its function, through basic and applied research, is to analyze effects of world, regional, and country developments and trends in agricultural production, consumption, and trade to disclose opportunities for developing new markets and maintaining and expanding existing markets for U.S. farm products.

The work of the Division involves a Washington staff of 42 professional economists who perform economic and statistical analysis work in Washington, travel abroad and gather data not available through other channels, and who plan, negotiate, and direct the execution of research contracts, most of which are with foreign-research institutions. The research covers the following three areas: 1) long-range outlook for U.S. farm exports; 2) foreign competition and demand by country and region; and 3) quantitative evaluation of foreign production, utilization and trade in farm products.

Long-range outlook for U.S. farm exports. The analysis work on the long-range outlook for U.S. farm exports is divided into three parts, (a) the world food budget, (b) projections of exports of leading U.S. agricultural commodities, and (c) long-term projections of foreign supply and demand by country and region.

Research in the area of the world food budget was undertaken in February 1961 at the request of a White House task force. The results published in the World Food Deficit, A First Approximation (March 1961) and in the World Food Budget, 1962 and 1966 (Oct. 1961, revised Jan. 1962) have been much in demand since the data provide the basis for developing the long-range outlook for U.S. farm exports that can be combined with the Department's domestic outlook analyses into a longer range projection of market outlook for U.S. farm products.

Foreign supply and demand studies are underway in 19 countries that are important or potential export markets for U.S. farm products. Funds are available for five additional studies. More country studies will be undertaken and all studies will need to be kept up to date as major changes occur in the supply and demand conditions in each country. A major step in the work involves an analysis of country studies to assess the effect of the long-range trends on prospective U.S. exports of specific farm products, such as wheat, feedgrains, oilseeds, rice, cotton, tobacco, dairy products, poultry products, and fruit.

Foreign competition and demand, by country and region. This work involves study and evaluation of developments in the economies of foreign countries, as they affect demand and competition in markets for farm products.

There is a continued growing volume of requests for information on foreign competition and demand and the implications for U.S. agricultural exports. Among many groups, American farmers, the farm press, marketing organizations, agricultural export interests, and government agencies seek data on the opportunities for developing new markets abroad and for maintaining and expanding existing foreign markets, and the nature of competition to be encountered in these markets.

Included are: (a) appraisal of the current food and agricultural situation in major importing and exporting countries; (b) evaluation of government measures taken to protect domestic agriculture from imports, to support prices, and to maintain incomes of agricultural producers in foreign countries; (c) analysis of opportunities for U.S. agriculture in foreign markets associated with changes in agricultural productivity and cost-price relationships, increased public and private investment in agriculture, progress in the application of improved farming techniques, changes in the agrarian structure, and improvements in market organization and practices; and (d) assessment of the competitive position of U.S. farm products in foreign markets, including evaluation of the effectiveness of U.S. market development and promotion projects.

Two studies have a world-wide coverage. One is a world agricultural situation published annually in early January. The other is a report on agricultural policies of foreign governments, published only at 4- or 5-year intervals, the next one appearing in 1963. Other research on competition and demand is organized and carried out by 5 regional branches. Studies are made of the situation in respective countries or specific areas of foreign competition and demand, with extensive visits to the areas and markets to collect the required data. The findings are published as separate foreign agricultural economic reports and as articles on regions and countries.

There is close cooperation between the Regional Analysis Division and the Development and Trade Analysis Division, and between ERS and FAS in this area to preclude duplication or overlapping of work. The work of this Division involves the making of analyses by country or commodity, while that of DTA involves the economic analysis of a given problem, regardless of country or commodity. The work of the Regional Analysis Division involves longer-term comparisons and analyses in greater depth than studies carried out in FAS for current operational purposes. ERS utilizes service of Land-Grant Colleges and Universities and other economic and marketing research organizations, to perform portions of the research on the effectiveness of U.S. market development and promotion projects in foreign countries, using P.L. 480 funds to cover travel and other costs abroad. Some foreign market appraisal work performed in the U.S. (about 1 man-year annually) is contracted for with agricultural colleges or other institutions.

Quantitative evaluation of foreign production, utilization and trade in farm products. This continuing work project provides the basic data for improving the quality of foreign agricultural production, consumption, and trade statistics. Its function is to: (a) construct food and agricultural production indices by country, region, and for the world; (b) construct food balances,

bringing together in one table for each country data on available food supplies and their utilization by categories; and (c) compile and analyze data on agricultural trade in geographic areas where trade statistics are of special significance to U.S. export prospects, or where official data are inadequate.

Statistics for many countries are incomplete, inconsistent or otherwise unreliable. Critical analyses are, therefore, made of data currently available, and appropriate measures are taken with foreign countries to broaden the coverage and improve the quality of data needed by U.S. exporters of farm products, for foreign policy formulation, and for administration of U.S. Government export and foreign aid programs. Beginning in FY 1963 foreign market research studies in certain underdeveloped countries will be undertaken for the purpose of improving the basic data needed for market development.

Related research work for other Federal agencies. The Regional Analysis Division is reimbursed or receives advances for research work done for: The Central Intelligence Agency, The Agency for International Development, and Foreign Agricultural Service.

For CIA the Division prepares annually 8 major monographs on the agricultural resources, production, consumption, trade and institutions of selected countries, plus some 15 lesser papers on veterinary medicine, incidence of animal diseases and related matters in foreign countries. The equivalent of 12 professional and five clerical employees devote full time to CIA work.

For AID the Division prepares annually certain index numbers of production and renders certain technical and consultative services to which are devoted in total three professional and two clerical man-years.

The advances from FAS are used by the Division for foreign travel to supervise and otherwise administer the research contracts in foreign countries financed under Section 104(a) of Title I, P.L. 480.

Related Research Work at State Agricultural Experiment Stations. The experiment stations are showing increased interest in foreign aspects of American agriculture. Some stations are developing the problem area as a major field of research activity. Attention is being given to the effect of special disposal programs on volume of U.S. exports and on the economies of the United States and foreign countries, to the impact of market structure and organization on exports, and to factors here and abroad which affect foreign market outlets for products of particular states.

AREA No. 1

LONG-RANGE OUTLOOK FOR U.S. FARM EXPORTS

Problem. Since United States agricultural output in excess of domestic needs has risen sharply in recent years, new export possibilities for farm products have become increasingly important to the agricultural industry and the national economy. Developments in the areas of production technology and management indicate that U.S. farmers will continue for the foreseeable future to produce increasing quantities and a widening range of products for export.

Knowledge of demand-supply trends and new opportunities for U.S. farm exports, arising from economic changes in both the more advanced and the developing countries, is essential if the United States is to develop its farm exports to the fullest extent consistent with the economic utilization of U.S. agricultural resources.

Exports of U.S. farm products valued at approximately \$5 billion annually in recent years contribute substantially to the income of the various sectors of U.S. agriculture and industries engaged in processing and merchandizing farm products. They are also an important element in foreign exchange earnings and therefore in the vital balance of payments situation of the United States.

USDA PROGRAM

The Department has a long-term program for projecting the future supply, demand, and trade of selected farm products. The total program involves 17 professional man-years annually in the Department of Agriculture to perform economic research in Washington and also to develop and supervise research programs abroad performed by research institutes on a contract basis under Section 104(a) of Title I of P.L. 480.

The first part of the program covers long-term projections of agricultural production, consumption and trade by country and region and for the world for various periods of time, including estimates for the ensuing year and projections for the ensuing 5-year period. This work is entirely done in Washington. For these projections supply-consumption data are compiled for a base period and projected ahead in about 100 countries. Taking into account the rates of population growth, changes in production technology, and other economic factors, these long-term projections show country and regional production, domestic disappearance, and net imports or exports by agricultural commodity and groups of agricultural commodities, including food products and such non-food products as cotton and tobacco. Projected national average per capita consumption levels in terms of food nutrients are measured against requirements agreed upon by nutritionists to single out countries with sub-standard diets. Supply needs of the deficit countries to raise their sub-standard diets to the levels called for by the agreed-on nutritional reference standards are calculated in terms of calories, grams of protein and fat, and also in tonnages of specific agricultural commodities, such as wheat, dry beans and peas, nonfat dried milk, and vegetable oils.

Work involved in the second part of the program is the annual projection of exports of leading U.S. agricultural commodities by quantity and value, and groups of other commodities in terms of value. This work is related to that of economic analysts in the Department working on U.S. agricultural output and availabilities for export. Together they provide the long-range outlook for U.S. farm commodities. This work includes projections based upon various assumptions as to prices of leading U.S. products in the world market. It is entirely performed in Washington by the Department of Agriculture with departmental personnel.

Work in the third part of the long-term projections of supply and demand involves contracting for in-depth country studies with research organizations that command the requisite facilities and familiarity with the problems of the countries concerned. These studies entail the preparation of basic market research information essential for firming up the Department's evaluation of the longer-range prospects for foreign supply, demand, and trade in farm products. They are planned and directed with Department of Agriculture personnel and the results are reviewed and analyzed with such personnel. The actual performance of the major part of the research within foreign countries is carried out by research-contractors who are paid with foreign currency generated from exports under Title I of P.L. 480.

PROGRESS IN USDA AND FOREIGN RESEARCH CONTRACTORS' ACTIVITIES

After World War II, statements were frequently made by persons and groups in the United States and abroad about the inadequacy of the diet in certain countries and regions. From these and other sources many generalizations were made as to the world's hunger, but relatively little had been done to measure the extent of world hunger.

With the relaxation of discriminatory quantitative controls over imports in many parts of the world in the latter half of the 1950's, the development of an increasing interest in overseas markets by U.S. trading interests, and the Government's Food for Peace Program, it became essential that actual food needs be calculated in terms as specific as possible. The first attempt to do this on a world-wide basis was the research of the Department of Agriculture published in the World Food Deficit, A First Approximation, March 1961. The findings showed that major deficiencies existed in Asia, and in parts of Africa and Latin America in calorie intake and protein availabilities which could not be filled from domestic resources. They were prepared under direction of a special task force whose membership represented pertinent agencies of the Department of Agriculture; the Department of State; Office of the Director, Food for Peace, the White House; the International Cooperation Administration; the Food and Agricultural Organization of the United Nations; and the Conference on Economic Progress.

Following the first approximations, this work was continued to provide a more thorough and detailed calculation of the food situation by country and region, including both food supply and problems of filling the food gap.

The findings of this further research in depth were published in The World Food Budget, 1962 and 1966, issued in October 1961, and in several processed regional supplements. Work was undertaken in the latter part of FY 1962, and is being continued on the projection of exports of leading U.S. agricultural commodities for the year 1967.

Major progress has also been made in the research being done under Section 104(a), Title I, P.L. 480, by foreign research institutes to develop, for individual countries, longer-range supply-demand projections. During the period January 1, 1961, to October 31, 1962, research projects were completed and the results published for 3 countries, a major part of the research was completed for 6 additional countries, a substantial amount of work was completed for 5 more countries, and research was begun in 5 more countries under contracts negotiated after January 1, 1962.

Contract Research Projects Under Section 104(a), Title I, P.L. 480, Research Completed and Published

India: This contract, as amended, covers two major activities, the first of which was completed and the results published.

Activity I was executed to obtain a projection of the import demand of India by 1965 and 1975 for selected agricultural products which the U.S. might produce for export. The contractor was the National Council of Applied Economic Research, New Delhi, India. Research director was P. S. Lokanathan. The contractual period extended from November 19, 1958, to June 30, 1961.

The research results were published in April 1962. They indicated that India by placing increased emphasis on the agriculture sector in successive 5-year plans would reach a near self-sufficiency level in food grains by 1965 and possibly produce a surplus by 1975. However, rice would still be deficient. Oilseeds will maintain a stage approaching self-sufficiency throughout the projection period. It is believed that superior varieties of cotton and tobacco will be imported by 1975.

Activity II was executed to determine the change in effective consumer demand for food and clothing as the result of investment in Indian economic developmental projects and the degree to which this change might affect the aggregate demand for selected agricultural commodities annually over the period of the Indian Third 5-Year Plan and by 1970. The contractor is the National Council of Applied Economic Research, New Delhi, India. Research director is P. S. Lokanathan. The contractual period extends from June 24, 1960, to March 31, 1964. A plan of work has been prepared, as provided in the contract, and the study is now about one-fifth completed.

Nigeria: This contract covers the long-term projection of supply of and demand for selected agricultural products in Nigeria. The contractor was the Department of Political Economy, University of Edinburgh, Edinburgh, Scotland. The research director was Ian G. Stewart. The contract period was October 1, 1959 - December 31, 1961.

The research results were published in October 1962. They indicated that Nigeria's 1975 import demand for wheat will be double that in 1960. The demand for milk (dried and/or canned) will expand faster than that of any other agricultural commodity, at a rate which will double demand every 3-4 years. The projected population for the country shows it to be nearing 55 million by 1975, with a rise in the per capita income that will further increase demand for certain imports.

United Kingdom: This contract covers the long-term projection of supply of and demand for agricultural products in the United Kingdom. The contractor was The Agricultural Economics Institute, Oxford, England. The contractual period was from June 1959 to June 1961. Results of the research were published in January 1962. While most of the findings as to imports of specific commodities vary with assumptions on such matters as feed prices, population growth and income, some overall conclusions are significant. An increase in agricultural productivity is assumed which is ahead of that in the rest of the country. It is expected that very little progress will be made up to 1965 in reducing the real cost of supports to agriculture. But after 1965 progress appears feasible in a) reducing costs of supports, b) achieving an efficient agriculture, and c) increasing real farm income.

Imports of food, beverages and tobacco into the U.K. since 1954 have increased by over 3 percent per annum in volume. The Institute cannot see how such a rate of expansion can continue. There only appears to be modest room for further expansion. This conclusion must be substantially unchanged if the U.K. were to enter the Common Market. Any increase in imports from Europe must be balanced by a decrease of imports from somewhere else - up to 1965.

Contract Research Projects Under Section 104(a), Title I, P.L. 480, All or Major Part of Research Completed by October 31, 1962

Austria: Long-term projections of supply of and demand for agricultural products. The contractor is the Austrian Institute for Economic Research, Vienna, Austria, and the director is Dr. Franz Nemshak. The research was completed in the latter part of 1961, and the manuscript is in the process of preparation for publication. The Institute projected among other things that domestic production of those farm products capable of being grown in Austria would increase faster than consumption, except in the case of feedgrains.

Italy: Long-term projections of supply of and demand for agricultural products. The contractor is the National Institute of Agricultural Economics, Center for Agricultural Marketing Research, Rome, Italy. The research results were reported to the USDA, September 1962, in Italian and are in the process of being translated and prepared in a form suitable for publication. The demand for food in Italy is projected to grow at a faster rate than domestic supply. Rising incomes will, it is projected, support increased livestock product output, and this in turn will require substantially increased imports of feedgrains. Because of the rising investment in both production and processing facilities for fruits in Italy, U.S. exports of fresh and processed fruits will face increasingly keen competition in Western Europe.

Israel: Long-term projection of supply of and demand for agricultural products. The contractor is The Falk Project for Economic Research in Israel, Jerusalem, Don Patinkin, research director. The contract was for the period June 27, 1960, to October 1, 1961. Delays have occurred in completing this study. It is now estimated that the work will be completed late in calendar year 1962, or in the first part of 1963.

Japan: This contract was executed to estimate the import demand of Japan for wheat and wheat flour, rice, corn, and other feed grains, cotton, tobacco, oilseeds, tallow, hides and skins, and dairy products in 1965, 1970 and 1975. The contractor is the Institute for Agricultural Economic Research, Tokyo, Japan. Research director is Taizo Shinohara, Department of Agricultural Economics, Tokyo University, Tokyo. The period of the contract extends from July 24, 1961, to January 31, 1963.

About 90 percent of the contract was completed by October 31, 1962. The preliminary findings indicate a large increase in imports of feed grains as a result of increasing incomes and growing demand for livestock products.

Philippines: This research project was undertaken to obtain a national projection of the import demand of the Philippines for cotton, dairy products, wheat and wheat flour, tobacco, rice, corn, meat products and tallow. The contractor was Mercantile, Inc., Manila; research director, was George Cohen of Robot Statistics, Inc., Manila. The contract period extended from September 1, 1959, to February 28, 1961.

The research will be published under the title: Philippines Long-term Projections of Supply of and Demand for Selected Agricultural Commodities - 1965 and 1975. Approximate publication date is November 1962. Major findings indicate significant shifts in imports of the agricultural commodities under study. No imports are projected for milled rice, shelled corn or tobacco, for 1965 and 1975. There is a projected shift in the imports of wheat, from flour to grain by 1965, and of meat and meat products, from canned products to fresh or frozen meat and live animals for food by 1975. Imports of dairy products are expected to increase significantly from 1965 to 1975. Imports of cotton will shift from imports of cotton products to raw cotton, with raw cotton imports doubling by 1975.

West Indies Federation "Area" and British Guiana: This contract provides for long-range projection of agricultural supply and demand for the old West Indies area and British Guiana. The contractor is the Institute of Social and Economic Research of the University College of the West Indies, Mona, Jamaica. The research leader is Dr. H. D. Huggins, the director of the Institute. The contract covers a 30-month period, April 26, 1960, to October 26, 1962; the contract work should be completed by October 31, 1962.

Contract Research Projects Under Section 104(a), Title I, P.L. 480, on Which Substantial Work Has Been Completed

Brazil: Long-term projection of the supply of and demand for agricultural products. The contract is with the Getulio Vargas Foundation, Rio de Janeiro. The study is under the direction of Dr. Julian M. Chacel, Head of the Agricultural Studies Center, Brazilian Institute of Economics of the Foundation. The contract was undertaken June 28, 1961; it is estimated that approximately 40 percent of the contract has been completed.

Colombia: Long-term projection of the supply of and demand for agricultural products. The contract is with the Universidad de Los Andes, Bogotá. Dr. Wallace N. Atherton, director of the Centro de Estudios Sobre Desarrollo Economica of the University is in charge. The contract period began November 28, 1960; it is estimated that the research is 70 percent completed.

France: Long-term projection of supply of and demand for agricultural products. The contractor is the Centre de Recherches et de Documentation sur la Consommation, Georges Rottier, secretary-general. The contract began on June 12, 1961, and is estimated to be 50 percent completed.

Ghana: Long-term projection of supply of and demand for agricultural products. The contractor is the Department of Political Economy, University of Edinburgh, Edinburgh, Scotland, research director, Ian G. Stewart. The contract period began July 1, 1961, and an estimated 70 percent of the work has been completed.

Spain: Long-term projection of supply of and demand for agricultural products. The contractor is the Comision Nacional de Productividad Agricola, Madrid, Valentin Andres Alvarez now President of the Productivity and Agrarian Committee. The contract period began June 8, 1960, and 60 percent of the work is reported to have been completed.

Contract Research Projects Under Section 104(a), Title I, P.L. 480, Which Have Been Negotiated Since January 1, 1962

Chile: Long-range projection of the supply of and demand for agricultural products. The contractor is the Facultad de Ciencias Economicas y Sociales de la Universidad Catolica de Chile, Santiago. Mario Carbo of the Centro de Investigaciones Economicas of the Facultad is in charge of the study. The contract period began May 9, 1962 and the research work under it has been started.

Mexico: Long-range projection of the supply of and demand for agricultural products. Two groups working jointly are involved as contractors in the agreement: The Minister of Agriculture and Livestock, United Mexican States; and Banco de Mexico, S.A. Joint directors of the project are Sr. Ing. Emilo Alanis Patiño and Sr. Victor Urquidi, both of the Bank. The contract period began June 28, 1962, and the work has been started.

Pakistan: Long-term projection of supply of and demand for agricultural products. This contract was executed to obtain a projection of the import demand of Pakistan for wheat, rice, corn, tobacco, cotton, oilseeds, and dairy products. The contractor is the Social Sciences Research Center, Lahore. The research director is Muhammad Khalid Hayat Khan. The contract period began March 31, 1962. About 20 percent of the work has been completed.

The Netherlands: Long-term projections of supply of and demand for agricultural products. The contractor is the Landbouw-Economisch Inst., Professor N. A. Kraal, director. The contract period began June 26, 1962, and the research work is underway.

Venezuela: Long-range projections of the supply of and demand for agricultural products. The contractor is the Consejo de Bienestar Rural, Caracas. Dr. Ricardo Gondelles, Chief of Special Studies of the Organization is responsible for the study. The contract period began April 2, 1962, and the research is about 20 percent completed.

PUBLICATIONS REPORTING RESULTS OF USDA AND FOREIGN RESEARCH CONTRACTORS

- Africa and Middle East Branch, Regional Analysis Division 1962. The world food budget, 1962 and 1966, Supplement No. I, Africa. U. S. Dept. Agr. Economic Research Service in cooperation with Foreign Agricultural Service, unnumbered, 50 pages.
- Africa and Middle East Branch, Regional Analysis Division 1962. The world food budget, 1962 and 1966, Supplement No. I, West Asia. U. S. Dept. Agr. Economic Research Service in cooperation with Foreign Agricultural Service, unnumbered, 22 pages.
- Anderson, Wilhelm, Director, Foreign Agricultural Analysis Division 1961. The world food deficit, a first approximation. U. S. Dept. Agr. Foreign Agricultural Service, 23 pages.
- Anderson, Wilhelm, Director, Regional Analysis Division Oct. 1961. Revised Jan. 1962. The world food budget, 1962 and 1966. U. S. Dept. Agr. Economic Research Service in cooperation with Foreign Agricultural Service. Foreign Agricultural Economic Report No. 4, 78 pages.
- Clark, Colin, Director, Institute for Research in Agricultural Economics of Oxford University, Oxford, England 1962. United Kingdom projected level of demand, supply, and imports of farm products in 1965 and 1975. U. S. Dept. Agr. Economic Research Service-Foreign Agricultural Service. ERS-Foreign-19, 131 pages.
- East European Branch, Regional Analysis Division Sept. 1961. The world food budget, 1962 and 1966, Supplement No. I, East Europe. U. S. Dept. Agr. Economic Research Service, 20 pages.
- Far East Branch, Regional Analysis Division Sept. 1961. The world food budget, 1962 and 1966, Supplement No. I, Far East. U. S. Dept. Agr. Economic Research Service, 27 pages.
- Lokanathan, P. S., Director-General 1962. Long term projections of demand for and supply of selected agricultural commodities, 1960-61 to 1975-76. National Council of Applied Economic Research, New Delhi, 262 pages.

- Stewart, Ian G., Director of the Project 1962. Nigeria: Determinants of projected level of demand, supply and imports of farm products in 1965 and 1975. U. S. Dept. Agr. Economic Research Service-Foreign Agricultural Service. ERS-Foreign-32, 150 pages.
- West European Branch, Regional Analysis Division Oct. 1961. The world food budget, 1962 and 1966, Supplement No. I, Western Europe. U. S. Dept. Agr. Economic Research Service, 27 pages.
- Western Hemisphere Branch, Regional Analysis Division Oct. 1961. The world food budget, 1962 and 1966, Supplement No. I, Western Hemisphere. U. S. Dept. Agr. Economic Research Service, 63 pages.
- Wylie, Kathryn H. and Hall, Howard L. 1962. Food in the Western Hemisphere. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 26(4), pp. 21-22.

AREA No. 2

FOREIGN COMPETITION AND DEMAND BY COUNTRY AND REGION

Problem. In many foreign markets United States farm products are facing changes in the competition or demand situation that directly affect their sale. There is a continued growing volume of requests for information on foreign competition and demand arising from political and economic developments abroad. The problem is to provide an appraisal of developments by country and region in agriculture and in the overall economies of foreign countries in order that American farmers, agricultural export interests and governmental agencies may take advantage of opportunities for developing new and maintaining or expanding existing foreign markets for U.S. farm products.

USDA PROGRAM

In line with the need and growing volume of requests for information on foreign competition and demand, the USDA maintains a continuing program to obtain, appraise and disseminate information in this area. In the period covered, this research has required 16 professional man-years annually in Washington, and contracts for some work by State universities averaging about 1 professional man-year annually.

This research includes: 1) appraisals of the current food and agricultural situation in more than 100 countries and the outlook for the demand for and supply of farm products in the year ahead; 2) evaluation of the trends and effects on competition and demand of government measures taken to protect agriculture and support prices and incomes of agricultural producers in more than 100 foreign countries, including measures taken or proposed by the European Economic Community or Common Market, the Latin American Free Trade Association, and other groups of countries moving toward economic integration or granting preferential treatment to each other; 3) analysis and interpretation of the opportunities and problems for U.S. agriculture associated with changing production and trade patterns in foreign markets and competitor countries, caused by changes in agricultural productivity and cost-price relationships resulting from increased public and private investment in agriculture, progress in the application of improved farming techniques, changes in the agrarian structure, and improvements in market organization and practice as well as changes in policy measures; 4) assessment of the competitive strengths and weaknesses of U.S. farm products in foreign markets as compared with products offered by farmers within that market and products available from other exporting countries, including evaluation of the effectiveness of market development and promotion projects; and 5) basic studies of the agricultural economies of foreign countries for use within the Department as background needed

for judging a country's potential as a market for or competitor with U.S. agriculture, and also to supply other interested agencies, private organizations, and individuals with desired information on agriculture in foreign lands.

Economic research in the categories mentioned above is organized and carried out on a regional basis by 5 regional branches within the Regional Analysis Division, of the Economic Research Service, USDA. The branches develop their own regional programs of research peculiar to the general agricultural and economic situation of their regions. They maintain continuous review of the competition-demand situation in their regions and publish results of their research on a country and regional basis, and on specific aspects of competition and demand. While performing most of this research with their own personnel in Washington they also gather information first-hand from travel in foreign countries, and they contract for and direct the performance of the limited amount of competition and demand analytical work carried out on a grant basis with State and other universities.

In addition to their own regional research programs the regional branches annually contribute sections to the World Food Situation prepared for the USDA Outlook Conference; they contribute sections to the World Agricultural Situation published by the Department early in January of each year; beginning with this year they are preparing annual regional supplements to the World Agricultural Situation, and they prepare sections for a comprehensive report on world agricultural policy, the next number of which will be published early in 1963.

A continuing function in regard to regional research is to provide service to other Federal agencies. Among these services are: 1) assistance to Foreign Agricultural Service commodity divisions in the analysis and interpretation of various regulations relating to trade in agricultural commodities; 2) preparation of policy memoranda and speeches on agricultural and trade policy, and production and utilization of agricultural commodities; 3) participation in the briefing of marketing specialists, and other operating governmental and non-official personnel traveling to and from foreign countries; and 4) service on intra- and inter-departmental committees established to consider trade agreements and advise on the economic feasibility of proposed agreements. In addition Branch personnel attend conferences and meetings involving their respective areas to describe and interpret U.S. agricultural trade policies and programs and to present U.S. positions.

A. Western Hemisphere

The Western Hemisphere Branch has a continuing program of economic research on competition and demand covering Canada, Central America, the countries in the Caribbean, and South America. U.S. agriculture has a big stake in the Western Hemisphere regions. They represent both a major and growing market for United States agriculture as well as a source of needed agricultural imports. U.S.

exports to this area for the year ending June 30, 1962 were almost \$1 billion, a value of almost 1/5 of total U.S. agricultural exports. Corresponding U.S. imports were in excess of \$1.7 billion, representing almost 50 percent of total agricultural imports for that period.

Shifts in agricultural production and trade in these regions having pronounced effects on the demand for U.S. agricultural commodities are the subject of current research. Recent significant shifts, the effects of which are being analyzed, are: Cuba's joining the Communist Bloc; the dissolution of the West Indies Federation; changes in U.S. sugar import policies; Canadian grain sales to the Communist Bloc, particularly Mainland China; and Latin American trade agreements with the Communist Bloc. Agricultural and trade policies affecting competition and demand include: The area's relationship with the EEC; self-sufficiency policies of many Latin American and Caribbean countries and areas; Latin American integration measures under the Latin American Free Trade Area, the Central American Free Trade Area, and related developments; primary commodity agreements; and Alliance for Progress development efforts for Latin America and the Caribbean.

B. Western Europe

The West European Branch has a continuing program of economic research on competition and demand covering 16 West European countries concerned with the analysis of factors affecting the market for American agricultural products in Western Europe or in third countries where Europe is a competitor. This area is a market for 40 percent of total U.S. agricultural exports, and more than 50 percent of U.S. dollar agricultural exports.

Continuing analysis of the Common Market's agricultural policy, which is both in process of development and implementation, is carried on in order to assess its likely future impact on total imports of farm products and on the share of those imports which the United States may expect to achieve. Since practically all of Western Europe is involved or may become involved in the Common Market the work will be extended to additional members or associates as conditions indicate. It will cover policies affecting indigenous production and consumption and both intra-Common Market and external trade in farm products of interest to the United States.

Country studies covering those nations not yet affiliated with the Common Market will be made to determine and measure changes in the competitive position of United States farm products in their internal markets. These studies will cover analysis of national farm price and production policies, growth or decline in consumption, and trade policies of the individual countries. Factors underlying changes in consumption both per capita and aggregate, such as population and income growth and shifts in consumer preferences will also be analyzed.

C. Eastern Europe

The East European Branch has a continuing program of research on the U.S.S.R. and other countries of Eastern Europe which are important to the U.S. both as competitors and in some instances as markets for agricultural products.

Particular attention in the program is given to changes in agricultural production because of the potential threat of East European grain in world markets.

The region, before World War I, was a veritable breadbasket for the industrial countries of Western Europe, but during the interwar period agricultural exports declined. However, Soviet grain exports in recent years have increased substantially compared with the interwar period. Most of the Soviet exports are to other East European countries, particularly East Germany and Czechoslovakia, which have become deficit with respect to grain. But sizable exports of wheat and other grains have also taken place to Western Europe and other nonbloc countries.

Government policy has played a particularly important role in East European agriculture and foreign trade ever since the once predominantly peasant farming was largely collectivized (except in Poland and Yugoslavia) and foreign trade became a state monopoly. Much attention is, therefore, given in research studies to government policy as it affects agricultural production and trade. Due to U.S.S.R. plans during the post-Stalin era significantly to expand agricultural production and exports, the successes and failures on the agricultural front are of considerable interest to U.S. agriculture and foreign policy.

The effects of technological developments on agricultural production are important in this region of rapid industrialization and are assessed in the research studies. While bread grains, feed grains, oilseeds, and cotton (in USSR) have continued to dominate the agricultural picture in the region, the livestock problem has been very much to the fore because of the recurrent shortages of animal products. Considerable attention, therefore, is devoted by the Branch to this problem. Plans for economic integration of the Soviet Bloc with other communist countries are continuously studied.

D. Africa and Middle East

The Africa and Middle East Branch has a continuing program of economic research on competition and demand in the whole of Africa and in West Asia which combined have more than 70 countries and territories. Many changes are occurring in the patterns of production and trade in the area as the result of political, social and economic developments taking place particularly in the emerging countries. Imports of agricultural commodities into the region from the United States are record high and increasing; in 1961 they amounted to approximately \$480 million.

Studies are being made of the significant changes affecting the agricultural trade of the region. Key countries and regions are under study to appraise the potential for imports of agricultural commodities, and to assess the competitive position of U.S. farm products in those regions. The research includes analyses of the impact of significant changes in agricultural structures and practices on production and trade.

Newly independent African countries included in the program of research studies on changing agricultural economies are Ivory Coast, Libya, Morocco, Nigeria, Tanganyika, and Tunisia. Older countries of Africa and West Asia in this program are Ethiopia, Iraq, Israel, Lebanon, and the United Arab Republic. Studies on a regional basis are being made of the agriculture in North Africa, and the agriculture in West Asia.

E. Far East

The Far East Branch has a continuing program of economic research on competition and demand in the countries of the Far East, which contain over one-half of the world's population. The region includes all of Asia east of Iran and south of the Soviet Union and reaches southeast to Australia and New Zealand.

The Far East is unique among regions of the world in that it has both an existing dense population and a high rate of population growth. Demand for food and fiber is expanding as a result of population growth and, as development programs begin to bear fruit, rising per capita income. As demand has grown faster than domestic supply in recent years, the share of the Far East in total U.S. agricultural exports has grown to about one-fourth compared to 15 percent prewar.

The work program of the Branch in the area of competition and demand includes comprehensive studies analyzing trends and prospects for agricultural development, demand for food and other farm products, and agricultural trade in a specific country or subregion. These studies interpret changes in the economic and technical scene and in policies and programs affecting production, consumption, and trade in terms of problems or opportunities for U.S. exports. Research efforts on India and Pakistan have focused on the use of agricultural surpluses from the United States in their economic development programs.

PROGRESS

A. Western Hemisphere

A continuing review was carried out on the agricultural demand and supply situation and on the outlook for trade in farm products. Government measures taken to protect agriculture and support prices and incomes were analyzed and evaluated. The results are being used internally in the Department and will be published in FY 1963.

Analyses and interpretations of opportunities and problems related to changing production and trade patterns were carried out. In addition to internal use of the analyses, 13 publications and articles were issued in the period. Specific areas covered include Guatemala, Honduras, the Alliance for Progress, Argentina, Uruguay, the Dominican Republic, Cuba, Jamaica and Latin American trade.

Assessment is maintained on the competitive strengths and weaknesses of U.S. products in Western Hemisphere markets both in competing with local production and with other countries in these markets. Publications and articles have been issued during this reporting period assessing the competitive position of U.S. products covering Central American Economic Integration; Uruguay; Martinique and Guadeloupe; French Guiana; and Mexico.

Basic studies of the agricultural economies are undertaken involving comprehensive and detailed analyses of both competition and demand factors. The results were used for program guidance with publications issued on Venezuela, Bolivia, Paraguay, the West Indies, Surinam, and the 20 Latin American republics.

B. Western Europe

Two studies on problems for U.S. agriculture arising out of the European Economic Community's agricultural policy were completed: 1) study of the impact of Common Market agricultural policies on import needs of selected agricultural commodities by 1970; and 2) U.S. agricultural trade policy for the 1960's, Chapters III and IV dealing with the production and trade development during the 1960's and their implications. As a result of a trip to Spain and Portugal, in January and February 1962, two manuscripts are in preparation: 1) Agricultural developments in Spain and competition with U.S. farm exports and 2) Portuguese agricultural economy-growth, exports and imports. Also in preparation are three studies in 1) agricultural trade advantages expected through Greek - European Economic Community association; 2) grain-livestock economy of the EEC and implications for U.S. trade; and 3) The EEC Fact Book - data on production and utilization of agricultural commodities in the EEC and Greece and full member applicants.

The West European Branch has initiated, supervised, and reviewed two competition studies published by the respective contractors: 1) A study of market development in West Germany by the University of Minnesota Experiment Station; and 2) A study of market development in Italy by the Agricultural Experiment Station of Texas. Currently, the Branch is supervising two competition studies which were also initiated by the Branch: 1) grain policies in France and Germany by the Food Research Institute, Stanford, Calif.; and 2) production and trade policies in fruits and vegetables in Italy and the United Kingdom by Giannini Foundation, University of California.

C. Eastern Europe

A comprehensive report on the agricultural situation in 1961-62 in the Soviet Union and other Eastern European countries was prepared and published, reviewing production, agricultural policy, food situation, and foreign trade of all the countries in the region. An agricultural survey of Czechoslovakia was prepared and also a similar report on East Germany was thoroughly revised. In response to public demand two studies were prepared on the comparison of U.S. and Soviet agriculture. Considerable time was devoted by members of the staff to briefing the press and other media of communication on the agricultural situation in Eastern Europe and in supplying information to the public, the U.S. Department of Agriculture and other Government agencies on the subject, through correspondence, lectures, and interviews.

Recent developments in Soviet agricultural policy were discussed in two articles in Foreign Agriculture and the Soviet agricultural problem was analyzed in an article in Current History and in an interview published in U.S. News and World Report. A number of articles in Foreign Agriculture by members of the staff of the Branch were devoted to a critical examination of the agricultural plans of Poland, Rumania, Yugoslavia, and Bulgaria.

Studies in preparation include: the meat problem in the Soviet Union; livestock industry in the Soviet Union (contribution to a joint report of U.S. Department of Agriculture exchange team); a survey of grain and livestock production in the Danubian Basin; manpower and mechanization in Soviet agriculture; and the effect of fertilizers on crop yields in the U.S.S.R. in the light of U.S. experience.

D. Africa and Middle East

Research on selected phases of competition and demand have been completed and the results popularized in articles disseminating the findings to American farmers and the trade. Thirteen such articles have been published in Foreign Agriculture. These articles covered marketing structures and facilities, government policies and programs, trade regulations and other factors affecting production, consumption, and trade of agricultural products with particular reference to impact on American agriculture. Separate reports on agricultural development and trade possibilities have been completed for the countries in North Africa, West Africa, and West Asia, and the results of this research are being prepared for publication in calendar year 1963 in the form of regional competition-demand studies.

A leading article presented details on the agricultural trade, both exports and imports, of the entire continent of Africa. Among Africa's agricultural exports, averaging \$3.4 billion annually between 1955 and 1958, the chief product was cotton. Also important are vegetable oils and oil-bearing materials, coffee, and cocoa. African imports averaged \$1.0 billion for agricultural

products in the same period, the major product being wheat and flour. Growth in imports of wheat and flour over recent years and improving economies of African nations promise growing demand in coming years. U.S. exports of wheat and flour to Africa in 1961 increased to nearly \$150 million.

Research manuscripts on six countries have been completed showing the effects of developments on agricultural competition and demand. A published bulletin on Morocco illustrating this type of study concludes that agricultural production there will not expand greatly soon, but within a period of 10 to 15 years it will increase about 40 percent over present levels assuming successful completion of programs already started. Much of this anticipated increase will be absorbed by growth of population and improvement in national dietary standards, and will not compete on world markets with U.S. products. An article describes the effects of Ethiopia's drive to diversify that country's agriculture. Coffee still makes up over 50 percent of Ethiopia's exports, but its share has been declining. Whereas Ethiopian agricultural exports do not now compete significantly with U.S. products, as current schemes mature, Ethiopia may emerge as a sizable surplus producer of meat, oilseeds, and coarse grains.

A contract was negotiated with the Bank of Israel, Jerusalem, for a study analyzing and assessing the economic effects of Title I, Public Law 480 operations on the economy of Israel. In April 1961 administrative responsibility for this project was transferred to the Development and Trade Analysis Division.

E. Far East

A comprehensive competition study was completed for Australia in 1961. Another is near completion for New Zealand. Both of these indicate the prospective competition for U.S. producers in Oceania, in the U.S., and in third markets. Such studies have also been initiated for India and for Southeast Asia.

Studies showing how agricultural development affects the market for U.S. farm products have been completed since the beginning of 1961 for Japan, India, Pakistan, Indonesia, South Korea, and Taiwan. Other studies are near completion on Thailand, India, and Pakistan. Still others are in progress on Malaya and Taiwan.

Studies on agricultural trade have been completed for the Philippines, Communist China, Australia, New Zealand, and Japan while others are in process. A study dealing with the region as a whole, excluding Oceania, shows that the gap between consumption and production is widening. This trend is expected to continue indefinitely as population and incomes continue to grow.

A cooperative agreement was executed between Cornell University Agricultural Experiment Station, Ithaca, New York, and the Department to evaluate the long-term supply of and demand for agricultural products in India in order to gain

essential information with which to determine the effect of the projected supply and demand situation upon U.S. agriculture. The agreement extends from April 13, 1962 to June 30, 1964.

PUBLICATIONS REPORTING RESULTS OF USDA RESEARCH

Western Hemisphere

- Coyner, Mary S. 1962. Agriculture and trade of Honduras. U. S. Dept. Agr. Economic Research Service. ERS-F 33, 23 pages.
- Coyner, Mary S. 1961. Central American economic integration on the way. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(6), pp. 19-20.
- Davenport, Charles R. 1962. Alliance for progress. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 26(4), pp. 3-4 and 26.
- Farnworth, Constance F. and Mears, Leon G. 1961. U. S. farm products find market and competition in Venezuela. U. S. Dept. Agr. Economic Research Service. FAER No. 1, 28 pages.
- Hall, Howard L. 1961. Argentine agricultural and trade policies. U. S. Dept. Agr. Foreign Agricultural Service. FATP 4-61, 11 pages.
- Lynch, John V. 1962. Uruguay's agricultural situation and outlook. U. S. Dept. Agr. Economic Research Service. ERS-F 18, 11 pages.
- Mears, Leon G. 1962. Agriculture and food situation in Cuba. U. S. Dept. Agr. Economic Research Service. ERS-F 28, 22 pages.
- Patty, Gordon 1961. Agriculture and trade of Paraguay. U. S. Dept. Agr. Economic Research Service. ERS-F 6, 15 pages.
- Sanderson, Agnes G. 1962. Caribbean markets mostly sunny. U. S. Dept. Agr. Economic Research Service. The Farm Index, 1(1), p. 16.
- Sanderson, Agnes G. 1961. The agriculture and trade of the West Indies. U. S. Dept. Agr. Foreign Agricultural Service. FAS-M 103, 35 pages.
- Sanderson, Agnes G. 1962. The agricultural economy of Surinam. U. S. Dept. Agr. Economic Research Service. ERS-F 35, 30 pages.
- Western Hemisphere Branch, Regional Analysis Division 1962. Cuba shifts trade in farm products to Soviet Bloc. U. S. Dept. Agr. Economic Research Service. ERS-F 23, 6 pages.
- Wyllie, Kathryn H. 1961. Reissued as ERS-F 39, 1962. Land redistribution in Mexico. U. S. Dept. Agr. Foreign Agricultural Service. FAS-M 112, 11 pages.
- Wyllie, Kathryn H. and Bennett, Gae A. 1961. What has happened to our trade with Cuba? U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(12), pp. 8-10.

Western Europe

- Bernitz, Alexander and Stern, Walter 1961. German agriculture - East and West. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(11), pp. 9-10.

- Krause, Elfriede A. 1961. Agricultural unrest in France. U. S. Dept. Agr. Foreign Agricultural Service. Foreign Agriculture, 25(12), pp. 5-7.
- Krause, Elfriede A. 1962. No miracle for Italian agriculture. U. S. Dept. Agr. Foreign Agricultural Service. Foreign Agriculture, 26(3), pp. 5-6.
- Krause, Elfriede A. 1961. Western European agriculture: A review. U. S. Dept. Agr. Foreign Agricultural Service. Foreign Agriculture, 25(6), pp. 15-16.
- Learn, Elmer W. and Houck, James P. Jr. 1961. An evaluation of market development projects in West Germany under Section 104(a) of Public Law 480. Agricultural Experiment Station, University of Minnesota. Station Bulletin 455, 79 pages.
- Murray, Kenneth L. 1961. U.S. poultry exporters face new competition from Swiss. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(9), p. 5.
- O'Donnell, Patrick E. 1961. Britain and the common market. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(9), pp. 3-4.
- Schlegel, Woodrow A. 1961. Accelerated freeze drying -- A new Irish food processing industry. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(9), p. 16.
- Schlegel, Woodrow A. 1962. Ireland plans to produce more -- And export more. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 26(2), pp. 12-14.
- Stelly, Randall and Kirby, James E. 1961. Developing markets for U.S. agricultural commodities in Italy -- An economic evaluation. Texas Agricultural Experiment Station. The Agricultural and Mechanical College of Texas. M.P.-539, 43 pages.
- Stern, Walter A. 1961. West Germany surveys its agriculture. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(7), p. 12.
- West European Branch, Regional Analysis Division 1961. O.E.C.D. Treaty of economic cooperation signed in Paris. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(2), p. 7.

Eastern Europe

- Bell, Richard E. 1961. Comparison of agriculture in the United States and Soviet Union. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-9, 11 pages.
- Bernitz, Alexander 1961. The agricultural situation in East Germany. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-5, 24 pages.
- Bernitz, Alexander 1962. A survey of Czechoslovak agriculture. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-38, 52 pages.
- East European Branch, Regional Analysis Division 1962. The agricultural situation in 1961-62 in the Soviet Union and other East European countries. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-29, 50 pages.
- Volin, Lazar 1961. Soviet agriculture: A continuing problem. U. S. Dept. Agr. Economic Research Service. Current History, 41(243), pp. 286-291 and 303.
- Volin, Lazar 1962. The agricultural picture in U.S.S.R. and U.S.A. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-27, 7 pages.

Volin, Lazar 1962. Khrushchev's farm problem - Why he can't solve it. U. S. Dept. Agr. Economic Research Service. U.S. News and World Report, 53(10), pp. 70-71 and 72.

Africa and Middle East

Holm, Henrietta M. 1961. Mediterranean Africa. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture 25(5), pp. 10-12.

Holm, Henrietta M. 1961. The agriculture of Morocco - programs, progress, prospects. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-11, 35 pages.

Moncure, Robert C. 1961. Rhodesia and Nyasaland enact federal tobacco legislation. U. S. Dept. Agr. Foreign Agricultural Service. FT-4-61, 3 pages.

Moncure, Robert C. 1961. British East Africa: Tanganyika. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(5), pp. 19-20.

Skinner, Snider W. 1961. Independent Sierra Leone--diamond-rich, rice-poor. U. S. Dept. Agr. Foreign Agricultural Service. Foreign Agriculture, 25(4), pp. 13-14.

Skinner, Snider W. 1961. The new geography of Africa. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(5), pp. 14-18.

Tannous, Afif I. 1961. The new Africa - promise and problems. U. S. Dept. Agr. Foreign Agricultural Service. Foreign Agriculture, 25(5), pp. 3-4.

Warren, Cline J. and Moncure, Robert C. 1961. The two giants: Egypt and the Union of South Africa. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(5), pp. 5-7.

Warren, Cline J. 1962. Ethiopia broadens its agricultural base. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 26(3), pp. 15-17.

Far East

Brown, Lester R. 1961. An economic analysis of Far Eastern agriculture. U. S. Dept. Agr. Economic Research Service. Foreign Agricultural Economic Report No. 2, 50 pages.

Brown, Lester R. 1961. How diets compare in India, Japan, and the United States. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(11), pp. 6-8.

Brown, Lester R. 1961. Taiwan: Twelve years of rural progress. U. S. Dept. Agr. Foreign Agricultural Service. Foreign Agriculture, 25(1), pp. 11-13.

Brown, Lester R. 1961. The Japanese agricultural economy. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-7, 32 pages.

Freckmann, James K. 1960. The agricultural economy of Fiji. U. S. Dept. Agr. Foreign Agricultural Service. FAS-M-102, 24 pages.

Hall, William F. 1961. India's agricultural goals. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(12), pp. 17-18.

Hall, William F. 1961. P.L. 480's contribution to India's economic development. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-8, 10 pages.

- Kirby, Riley H. 1961 Japan's agriculture faces problems of success. U. S. Dept. Agr. Foreign Agricultural Service. Foreign Agriculture, 25(3), p. 11.
- Lerner, Stuart 1961. Agricultural policy in Pakistan. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-16, 12 pages.
- Lerner, Stuart 1962. Pakistan's agriculture--15 years after independence. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 26(8), pp. 10-12.
- Long, Mary E. 1961. Australia's agricultural production and trade policies affecting U.S. farm exports. U. S. Dept. Agr. Economic Research Service. Foreign Agricultural Economic Report No. 3, 62 pages.
- Long, Mary E. 1962. Farm trade of Australia and New Zealand--and how British membership in EEC may affect it. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 26(5), pp. 7-8.
- Long, Mary E. 1962. New Zealand introduces new trade controls for 1962-63. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-37, 8 pages.
- McConnell, Robert M. 1962. Indonesia's agriculture--situation and policy. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-21, 15 pages.
- Ross, James E. and Kirby, Riley H. 1961. South Korea's agricultural economy. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-2, 26 pages.
- Ross, James E. 1961. Trends in Philippine agricultural trade. U. S. Dept. Agr. Economic Research Service. ERS-Foreign-3, 41 pages.
- Spaeth, David H. 1962. Communist China--a crucial period for its agricultural economy. U. S. Dept. Agr. Economic Research Service. ERS-Foreign 31, 4 pages.
- Spurlock, Hughes H. 1961. Food shortages in Communist China--signs of an impending crisis. U. S. Dept. Agr. Foreign Agricultural Service. FATP 5-61, 3 pages.
- Spurlock, Hughes H. 1962. Trends and developments in Communist China's world trade in farm products 1955-60. U. S. Dept. Agr. Economic Research Service. Foreign Agricultural Economic Report No. 6, 50 pages.

General

- Anderson, Wilhelm, Director, Foreign Agricultural Analysis Division 1961. The world agricultural situation, 1961. U. S. Dept. Agr. Foreign Agricultural Service, 47 pages.
- Anderson, Wilhelm, Director, Regional Analysis Division 1962. The world agricultural situation, 1962. U. S. Dept. Agr. Economic Research Service, 50 pages.
- Ogdon, Montell 1962. The new British Commonwealth, economic and commercial policies as related to agricultural production and trade. U. S. Dept. Agr. Economic Research Service, 98 pages.

AREA No. 3

QUANTITATIVE EVALUATION OF FOREIGN PRODUCTION,
UTILIZATION AND TRADE IN FARM PRODUCTS

Problem. Quantitative evaluation of foreign production, utilization and trade in farm products is necessary for appraising U.S. trade prospects. Such evaluation begins by assembling the data for a series of years and examining them for comparability and internal consistency. The efforts now being made in many nations to improve the methods used in preparing agricultural statistics produce a continuous stream of new and revised figures from our agricultural attaches and from publications of foreign governments and international organizations. Changes in techniques often make the latest figures inconsistent with those for earlier years. Often two or more series of production statistics are issued by different agencies for an important export crop, while other commodities are neglected.

USDA PROGRAM

The Department has conducted a program in recent years to improve the quality of statistical data used in its long-term projections, its competition and demand studies and other foreign agricultural research. This activity has involved 9 professional man-years annually.

Two types of analyses are made which test the statistical data for quality and consistency, at the same time resulting in useful measures of the agricultural situation abroad. To measure trends in agricultural production in each of about 100 countries and to compare their rates of growth, the Department each year computes index numbers of agricultural production. To assess the size and quality of the food supply in foreign countries the Department also prepares food balances for about 85 countries.

The program includes the compilation and analysis of data on agricultural trade in geographic areas where trade statistics are of special significance to U.S. export prospects, or where official data are inadequate.

RELATED PROGRAMS OF STATE EXPERIMENT STATIONS AND INDUSTRY

In 1961 State experiment stations did not report any work in this area.

REPORT OF PROGRESS FOR USDA AND COOPERATIVE PROGRAMS

A. Production indices

In the period under review indices of agricultural production in 1961 were prepared for about 100 countries for many uses, and work is under way on similar indices for 1962. Indices for 12 countries were recomputed back to 1952 for the use of the Agency for International Development. Work was begun on

increasing the commodity coverage and improving the method for deducting livestock feed to avoid double counting when indices of crop and livestock production are combined.

B. Food balances

Early in 1961 food balances as of the year 1958 were published for 30 countries, supplementing those for 48 countries which had been published late in 1960. These food balances and unpublished figures for other countries were summarized and related to nutritional requirements in the World Food Deficit, A First Approximation, March 1961, prepared at the request of a Task Force established by the White House. Later in 1961 the output of each of the major foodstuffs was projected for each country to 1962 and 1966, generally following the trends indicated for the 1950's, but also considering other influences. The pattern of food supplies indicated by the 1958 food balances was used to check and modify these projections of production. At the same time quantities of major foods required to meet nutritional standards in 1958 were projected to 1962 and 1966. These projections of production and of requirements, together with country estimates of probable exports and imports, furnished the bases for the calculations in The World Food Budget, 1962 and 1966 (Oct. 1961, revised Jan. 1962).

To furnish better food supply data for an updated world food budget, work has already begun on preparing revised food balances for two periods of three years each, 1956-58 and 1959-61. These revisions will be coordinated with production indices and will take account of new data from various sources, including market development studies. This work involves cooperation with the statisticians and commodity specialists of Foreign Agricultural Service in the preparation of world estimates of crop and livestock production, as well as consultation and correspondence with attaches, market research specialists and international organizations to clarify questions and improve the basic information.

Plans are being made for foreign market research studies in certain underdeveloped countries for the purpose of improving the coverage and quality of economic data needed for market development and world food budget work. Some African, Latin American, and Asian countries would be included.

C. Trade

The new agricultural trade patterns now developing as a result of economic integration in Europe, the Caribbean area, and in Central and South America are being analyzed. The agricultural trade of the U.S.S.R., Communist China and Cuba and its effects are also being studied. Trade data by source and destination for the countries of Africa are being compiled for use in market development work. The studies on the African countries involve the compilation and interpretation of data for the new countries and for other countries developing new trade channels.

PUBLICATIONS REPORTING RESULTS OF USDA RESEARCH

Production indices

- Africa and Middle East Branch, Regional Analysis Division Nov. 1961. Indices of agricultural production in 12 Near East countries. U. S. Dept. Agr. Economic Research Service, 31 pages.
- Africa and Middle East Branch, Regional Analysis Division Nov. 1961. Indices of agricultural production in 28 African countries. U. S. Dept. Agr. Economic Research Service, 53 pages.
- Far East Branch, Foreign Agricultural Analysis Division Feb. 1961. Food balances and indices of agricultural production for Australia and New Zealand (mimeo.). U. S. Dept. Agr. Foreign Agricultural Service, 13 pages.
- Far East Branch, Regional Analysis Division Nov. 1961. Indices of agricultural production for the Far East and South Asia. U. S. Dept. Agr. Economic Research Service, 39 pages.
- Western Hemisphere Branch, Regional Analysis Division Oct. 1961. Indices of agricultural production for 20 Latin American countries. U. S. Dept. Agr. Economic Research Service, 48 pages.

Food balances

- Africa and Middle East Branch, Foreign Agricultural Analysis Division Feb. 1961. Food balances in foreign countries, Part IV: Estimates for 28 countries of Africa and Western Asia. U. S. Dept. Agr. Foreign Agricultural Service. FAS-M-108, 31 pages.

Trade

- Davis, William L. Jr. 1962. Soviet trade on free world farm market shows strong upward trend. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 26(3), pp. 3-4 and 17.
- Marx, Robert E. 1961. Africa's agricultural trade. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 25(5), pp. 13, 25, and 28.
- Mills, Theodora 1962. Agricultural trade between West and East Europe rises. U. S. Dept. Agr. Economic Research Service. Foreign Agriculture, 26(11), p. 18.

Line Project Check List -- Reporting Period January 1, 1961 to October 31, 1962

Work & Line Project Number*	Work and Line Project Titles	Work Locations During Past Year	Line Proj.	Incl. in
			Summary of Progress	Area & Sub- Subheading
RA 1	Long-range outlook for U.S. farm exports	Washington, D. C.	Yes	Area 1
-1	World food budget, by country and region	Washington, D. C.	Yes	
-2	Projection of exports of leading U.S. farm commodities	Washington, D. C.	No	
-3	Long-term projections of foreign supply and demand by country and region	Washington, D. C. (and foreign countries)	Yes	
RA 2	Foreign competition and demand, by country and region	Washington, D. C.	Yes	Area 2
-1	Foreign competition and demand, Western Hemisphere	Washington, D. C.	Yes	
-2	Foreign competition and demand, Western Europe	Washington, D. C.	Yes	
-3	Foreign competition and demand, Eastern Europe	Washington, D. C.	Yes	
-4	Foreign competition and demand, Africa and Middle East	Washington, D. C.	Yes	
-5	Foreign competition and demand, Far East	Washington, D. C.	Yes	
RA 3	Quantitative evaluation of foreign production, utilization, and trade in farm products	Washington, D. C.	Yes	Area 3
-1	Production indices	Washington, D. C.	Yes	
-2	Food balances	Washington, D. C.	Yes	
-3	Trade	Washington, D. C.	Yes	
*Work projects approved, and documentation of line projects in progress.				

